

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., <i>et al.</i>, Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (KJC)
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**FEE AUDITOR'S FINAL REPORT REGARDING MONTHLY FEE APPLICATION
OF HILSOFT NOTIFICATIONS FOR JULY 2007 AND APPLICATION OF
HILSOFT NOTIFICATIONS FOR FINAL APPROVAL AND ALLOWANCE
OF COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS CONSULTANT TO THE
OFFICIAL COMMITTEE OF PROPERTY DAMAGE CLAIMANTS**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Monthly Fee Application of Hilsoft Notifications for July 2007 and the Final Application of Hilsoft Notifications for Final Approval and Allowance of Compensation for Services Rendered and Reimbursement of Expenses as Consultant to the Official Committee of Property Damage Claimants (the "Applications").

BACKGROUND

1. Hilsoft Notifications ("Hilsoft") was retained as consultant to the Official Committee of Asbestos Property Damage Claimants. In the Applications, Hilsoft seeks approval of fees and expenses as follows: fees totaling \$90.00 and no expenses for its services from July 1, 2007 through July 31, 2007 (the "July 2007 Monthly Application"),¹ and final approval of fees totaling

¹These fees were not included in any of Hilsoft's quarterly fee applications and, therefore, have not been approved by the Court on an interim basis.

\$166,487.84² and expenses totaling \$4,235.83³ for its services from March 13, 2002 through June 30, 2008 (the "Final Application Period").

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2014, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330, Issued January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

DISCUSSION

July 2007 Monthly Application

3. We have no issues with, or objections to, Hilsoft's fees for July 2007, and thus we did not send an initial report to Hilsoft.

²We note that the total of the fees requested in Hilsoft's eight prior fee applications, plus the compensation sought in the July 2007 Monthly Application, is \$169,624.09. It appears that Hilsoft has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 5, to arrive at the figure it seeks of \$166,487.84. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

³We note that the total of the expenses requested in Hilsoft's eight prior fee applications is \$4,235.83. The Court ordered no reductions for the prior periods, which periods are discussed in more detail in paragraph 5, and thus Hilsoft has deducted no sums from this amount to arrive at the figure it seeks of \$4,235.83. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

4. Thus, we recommend approval of \$90.00 in fees for Hilsoft's July 2007 Monthly Application.

Prior Interim Applications

5. We note that we previously filed the following final reports for Hilsoft's prior interim applications, which final reports we incorporate by reference herein, and we also note the following orders that ruled on Hilsoft's prior interim fee applications:

5th Period: Fee Auditor's Final Report Regarding Fee Application of Hilsoft Notifications for the Fifth Interim Period (Docket #2929), filed on or about November 4, 2002, in which we recommended approval of fees totaling \$15,735.00 and expenses totaling \$28.54. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fifth Period, dated November 25, 2002 (Docket #3092).

6th Period: Fee Auditor's Final Report Regarding Fee Application of Hilsoft Notifications for the Sixth Interim Period (Docket #3278), filed on or about January 28, 2003, in which we recommended approval of fees totaling \$1,995.00 and expenses totaling \$5.96. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Sixth Period, dated March 14, 2003 (Docket #3511).

16th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Sixteenth Interim Period (Docket #9387), filed on or about September 12, 2005, in which we recommended approval of fees totaling \$14,322.50 and expenses totaling \$6.04. These

recommendations were adopted in the Order Approving Quarterly Fee Applications for the Sixteenth Period, dated September 27, 2005 (Docket #9513).

19th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Nineteenth Interim Period (Docket #12525), filed on or about May 25, 2006, in which we recommended approval of fees totaling \$20,571.25 and expenses totaling \$269.06. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Nineteenth Period, dated June 16, 2006 (Docket #12660).

20th Period: Fee Auditor's Final Report Regarding Fee Application of Hilsoft Notifications for the Twentieth Interim Period (Docket #13176), filed on or about September 8, 2006, in which we recommended approval of fees totaling \$21,450.42 and expenses totaling \$21.49. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twentieth Period, dated September 26, 2006 (Docket #13298).

24th Period: Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Fourth Interim Period (Docket #16786), filed on or about September 10, 2007, in which we recommended approval of fees totaling \$62,712.50 and expenses totaling \$2,661.73. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Fourth Period, dated September 25, 2007

(Docket #16916).

25th Period: Fee Auditor's Amended Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twenty-Fifth Interim Period (Docket #17542), filed on or about December 4, 2007, in which we recommended approval of fees totaling \$4,320.00 and expenses totaling \$200.55. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Fifth Period, dated December 13, 2007 (Docket #17629).

29th Period: Fee Auditor's Final Report Regarding the Fee Application of Hilsoft Notifications for the Twenty-Ninth Interim Period (Docket #19967), filed on or about November 7, 2008, in which we recommended approval of fees totaling \$25,291.17 and expenses totaling \$1,042.46, reflecting our recommended reduction of \$3,136.25 in fees, as further explained in paragraph 3 of that final report. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twenty-Ninth Period, dated December 17, 2008 (Docket #20283).

6. We have reviewed the final reports and orders allowing fees and expenses for the prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for the prior interim periods.

CONCLUSION

7. Thus, we recommend final approval of \$166,487.84⁴ in fees and \$4,235.83⁵ in expenses for Hilsoft's services for the Final Application Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.



By: _____

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 29th day of July, 2014.



Warren H. Smith

⁴We note that the total of the fees requested in Hilsoft's eight prior fee applications, plus the compensation sought in the July 2007 Monthly Application, is \$169,624.09. It appears that Hilsoft has deducted from this amount all of the reductions ordered by the Court for the prior periods, which periods are discussed in more detail in paragraph 5, to arrive at the figure it seeks of \$166,487.84. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

⁵We note that the total of the expenses requested in Hilsoft's eight prior fee applications is \$4,235.83. The Court ordered no reductions for the prior periods, which periods are discussed in more detail in paragraph 5, and thus Hilsoft has deducted no sums from this amount to arrive at the figure it seeks of \$4,235.83. We note that the Court has ruled on the First through Fifty-First Interim Periods, but no ruling has been made on the Fifty-Second Interim Period.

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